





MIND THE GAP

We live in the land of the fair go, yet the gender pay gap is widening. Claire Halliday asks three successful women how we can achieve equity in the Australian workplace.


So you thought the battle for pay equity in the Australian workplace was won? The principle of equal remuneration for work of equal or comparable value may have been established in the 1969 and 1972 Australian federal equal pay cases, but the latest figures from the Australian Bureau of Statistics (ABS) reveal the gender income gap is the greatest it has been in 16 years.

According to ABS data, women working full time earn an average of \$1091.30 a week, which is \$239.30 less than their male counterparts' average weekly earnings of \$1330.60. This discrepancy of 18 per cent is the greatest gender income gap since August 1994. If you include part-time and casual workers, the gap between men's and women's average total earnings has reached 35.5 per cent.

The sectors with the greatest pay gap for full-time employees are finance and insurance services (29.3 per cent), health care and social services (29 per cent), rental, hiring and real estate services (28.3 per cent) and professional, scientific

and technical services (27.6 per cent). Those with the smallest pay gap include transport, postal and warehousing (6.5 per cent), public administration and safety (8.6 per cent) and education and training (9.8 per cent).

No matter how small the pay gap, it can still have a significant impact on a woman's lifetime earnings. While a 25-year-old man might earn \$2.4 million over the next four decades, a 25-year-old woman can expect to earn just \$1.5 million. By 2019, women in the workforce will have, on average, half as much superannuation as men, giving them an unstable foundation for old age – years in which they are 2.5 times more likely than men to live in poverty.

Women in high-profile positions are not immune to the gender income gap either. It seems the higher the profile of the position, the greater the gap. According to The Hon Tanya Plibersek MP, Minister for the Status of Women, while sectors of the Australian workforce that rely on the award system do have pay equity between 

the genders, discrepancies are more likely to exist where employees have privately negotiated contracts. “When you look at the leaders of our biggest companies, women are often earning half as much as men in similar roles,” she says. “Wherever there’s a lack of transparency, there can be inequity.”

Also, in sectors such as child care and nursing, which are typically dominated by women, the jobs themselves often attract less pay. “It has often been caring work that has not been valued as much in society,” Plibersek says.

This, though, is a reality that may soon change, with the Australian Services Union spearheading a landmark test case with Fair Work Australia in an effort to secure increased career opportunities and remuneration for workers in the female-dominated social and community services sector.

There was a time in Australia’s workplace history when women were,

by law, paid a percentage of what men were paid. In 1919 the basic wage for women was set as 54 per cent of the wage for men and it wasn’t until 1943 that it was increased to 75 per cent under the National Security (Female Minimum Rates) Regulation.

In 1958 New South Wales became the first Australian industrial jurisdiction to legislate for equal pay in the Female Rates (Amendment) Act, and in 1969 the first federal equal pay case established the principle of equal pay for equal work. Despite those breakthroughs, there is still much more work to do to make the principle of equal pay a reality.

To raise awareness of the issue, the Equal Opportunity for Women in the Workplace Agency (EOWA) has nominated 4 September as Equal Pay Day this year. The date reflects the 66 extra days, calculated from the end of the financial year, that women would have to work to earn the same as men.

We asked three successful women to share their thoughts about how we can close the gap.

HEATHER RIDOUT
Chief executive, Ai Group

“The issue of pay equity is much more complicated than it appears,” says Heather Ridout, chief executive of the Australian Industry Group (Ai Group). She believes it is a problem that exists primarily in market rates, rather than minimum award rates, and is well recognised but not fully understood.

“The award rate for a hairdresser is the same as the award rate for an electrician, but electricians typically get paid much more because of market factors, such as skill shortages, claims by tough unions over the years and so on,” she says. “Whether we should adjust for the market is a very hard question to answer.”

When it comes to gender-based pay discrepancies, Ridout cites many contributing factors, including “[women’s] interrupted careers, lack of equality in the home environment in terms of caring and other domestic responsibilities, and the value assigned to different occupations”.

Starting out with a degree in economics from The University of Sydney, Ridout worked for a New South Wales Liberal senator before embarking on a career with the Metal Trades Industry Association, a predecessor to Ai Group.

“I was the first woman with a degree to walk in the door,” she recalls, “however, there has been a huge turnaround in the past 30 years and women in Ai Group now account for 40 per cent of our professional ranks.”

There have been times in Ridout’s life when she believes she received unfair pay compared with her male colleagues but, she says, “For me, the bigger issue was [women] not having the same

opportunities as men, and this was an area where I incurred problems. It became a bigger issue when I tried to juggle a career and family. It was assumed that I would resign when I had my first child.” ▷

Heather Ridout encourages women in the workforce to pursue decision-making roles where they are responsible for making things happen.



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Fortunately, new mothers today may have it a little easier, thanks to a major development that occurred in June when the Paid Parental Leave Bill was passed by the Senate. From 1 January 2011, Australia's first

national paid parental leave scheme will provide eligible working parents with 18 weeks' paid parental leave.

Greater flexibility in the workplace is important, Ridout says, as a small step towards greater equity. Strong leadership and commitment from boards, CEOs and senior management, with comprehensive reporting on progress, is also vital.

"We need to keep working hard at it and keep talking about it, and we need more women in senior executive and CEO roles. More senior executive roles are opening up for women, however, CEO roles remain elusive. When it comes to the latter, women need to think about their career choices and ensure they are in decision-making positions where they are responsible for making things happen and are seen doing so."

THE HON TANYA PLIBERSEK Labor Minister for the Status of Women

The Hon Tanya Plibersek MP entered the workforce as a teenager, first babysitting and then selling flowers at her local train station in Sydney after school two days a week. "I had a lot of waitressing jobs too," says the current Minister for the Status of Women.

It was while she was a university student working in the hospitality industry that Plibersek became aware of gender-related inequity, but in this case the issue wasn't different pay for the same work. "Men did all the beverage service and women did the food service," she recalls. "The issue was about [the women] receiving the same rate of pay [as the men] for what, I think, was much harder work."

So, what is Plibersek's advice for women who believe they are not being paid equitably? "Make a case about why you're worth more money," she says. "It can be difficult, but it's important to remind your employer why you're valuable to them."

Plibersek is pragmatically optimistic about the future. "It's going to take continued effort, vigilance and hard work

to bring forward the day when men and women in Australia can confidently say they are paid equally, but that day will definitely come – hopefully sooner rather than later."

DR CATHERINE FOLEY Chief research scientist, CSIRO

In a career spanning 25 years, chief research scientist Dr Catherine Foley has worked her way up through the ranks of CSIRO. She says there is a definite gender bias in the Australian workplace.

"I get a sense that women have to show they are capable, while their male colleagues have to show they have the potential to be capable," she says. "I think women have the ability to work smarter. We can parallel process, perform multiple tasks and juggle better than our male colleagues. However, sometimes women can fall prey to the victim mentality, which doesn't help them. When women take the approach that they are survivors, things really can turn around."

On the issue of equal pay, Foley agrees that statistics highlight ongoing discrepancies, but she says this is not the only issue affecting women's careers. ▷

“The greater problem is women are not promoted at the same rate as men. The reasons are complex and there is no single strategy that will change this.”

Not that Foley isn't trying to find strategies. As president of the Federation of Australian Scientific and Technological Societies, her role involves researching ways to address the issue. One possibility, Foley suggests, is a grant of \$10,000 to \$20,000 a year, for up to three years, for women returning from maternity leave to give them the travel or technical assistance needed to further their careers.

“Some universities and research institutes do this to some extent,” she says. “Real, organisational, top-level

commitment and willingness to budget for and target this in strategic planning is needed. Gender equity should be seen as a value proposition and good business.”

Another of Foley's suggestions for addressing gender inequity in the workplace is a single ‘gender index’ with numerical scores (not unlike the OHS measure used in some organisations) to establish a benchmark and minimum level and to track changes.

Gender inequity has been a reality in Foley's own career. During her early working life she was a mother of three who was juggling personal and professional expectations, which precluded her from chasing her career dreams as tenaciously as many of her male peers. “Overseas travel, for example, was impossible, as I had no other support when the children were very young,” she recalls. “I think I've made up for it now, but it was hard work back then and sometimes pretty discouraging.

“It's great to see the amazing women scientists who have become successful with the help of fellowships that have given them the financial resources to manage the costs of working full time with raising young children. This extra funding has allowed them to shine, and society benefits from their wonderful research. I wish more women had this chance.”

Describing her 19-year-old daughter as someone who “expects to have equal everything and demands it”, Foley says the thought that women could be disadvantaged in the workplace is not something that has occurred to her daughter, so it will be interesting to see how this develops for her.

There is still some way to go before Australian women have equal standing in the workplace, Foley admits. “We have to work hard to effect cultural change in organisations and to attain

acknowledgement that everyone wins when you capitalise on the full potential of all, including women. We also need to resolve the complexity that can plague women's careers when they have children.”

Dr Catherine Foley is committed to finding ways to ensure that women are promoted at the same rate as their male colleagues.

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